



THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA

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The Honorable William Thomas
Chairman, Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

Dear Chairman Thomas:

On behalf of the Associated General Contractors of America (AGC), I urge you to support HR 4520, the American Jobs Creation Act of 2004. AGC is the largest and oldest national construction trade association, founded in 1918. AGC represents more than 33,000 firms, including 7,000 general construction contractors, 12,000 specialty contractors, and 14,000 suppliers and service providers.

The American Jobs Creation Act will benefit the construction industry by adding stimulus to the economy. The three percent tax cut for manufacturers will help our corporate construction firms at home, while the tax simplification measures will aide those construction firms working overseas. This is especially timely for those in the dangerous Iraq and Afghanistan areas who are helping to build democracies through transportation and utility infrastructure.

There are several other specific provisions that will positively affect general contractors. The reduction of the leasehold improvement depreciation to 15 years will create more opportunities for contractors to improve aging and unproductive workspaces, whether that is in an office or a restaurant. In return, these businesses will continue to improve and update their models, continuing the cycle of improving the economy. Additionally, the extension of section 179 expensing for two years will give companies incentive to invest in new equipment necessary for growing their businesses, and will also release funds to be given in paychecks or new jobs that would otherwise have gone to the IRS.

Finally, AGC thanks Chairman Thomas for making needed improvements to the Highway Trust Fund. Redirecting the 2.5 cents of fuel tax currently paid into the general fund and transferring it into the Highway Trust Fund, as well as fixing the 5.2-cent ethanol subsidy, will ensure that all transportation user fees are deposited accordingly. The Highway Trust Fund provides vitally needed highway and bridge improvement projects that reduce congestion, save lives and improve air quality. In addition, this funding creates high quality, well-paying jobs. Correcting the ethanol subsidies impact on Highway Trust Fund revenue, combined with legislation to reauthorize the highway program, is critical to our economic growth, and our ability to provide safety and security on U.S. roads and transit systems.

Thank you for your consideration.

Sincerely,

Stephen E. Sandherr